

AMENDED IN SENATE JUNE 17, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

AMENDED IN ASSEMBLY APRIL 19, 2010

AMENDED IN ASSEMBLY MARCH 23, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2724

Introduced by Assembly Member Blumenfield

February 19, 2010

An act to ~~amend Sections 2830 and 2851 of, to amend the heading of Chapter 7.5 (commencing with Section 2830) of Part 2 of Division 1 of, and to add Sections 2831 and 2832 to, add Sections 399.22 and 2853 to~~ the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2724, as amended, Blumenfield. ~~Governmental Renewable Energy Self-Generation Program.~~ *Renewable energy resources.*

(1) Under existing law, the Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations, as defined. ~~The Local Government Renewable Energy Self-Generation Program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account. Existing law requires every electrical corporation to file with the CPUC a standard tariff for electricity generated by an electric generation facility, as defined, that qualifies for the tariff, is owned and operated by a retail customer of~~

the electrical corporation, and is located within the service territory of, and developed to sell electricity to, the electrical corporation. Existing law requires that, in order to qualify for the tariff, the electric generation facility: (1) have an effective capacity of not more than 3 megawatts, subject to the authority of the CPUC to reduce this megawatt limitation, (2) be interconnected and operate in parallel with the electric transmission and distribution grid, (3) be strategically located and interconnected to the electric transmission system in a manner that optimizes the deliverability of electricity generated at the facility to load centers, and (4) meet the definition of an eligible renewable energy resource under the California Renewables Portfolio Standard Program (RPS program). Existing law requires that the tariff provide for payment for every kilowatthour of electricity purchased from an electric generation facility for a period of 10, 15, or 20 years, as authorized by the CPUC, and requires that the payment be the market price referent established by the CPUC pursuant to the RPS program and requires the price to include all current and anticipated environmental compliance costs. Existing decisions of the CPUC refer to a tariff adopted pursuant to these requirements as a feed-in tariff.

Existing law requires a local publicly owned electric utility that sells electricity at retail to 75,000 or more customers to adopt and implement a feed-in tariff for electricity purchased from an electric generation facility meeting certain size, deliverability, and interconnection requirements and to consider certain factors.

~~This bill would rename the program the Governmental Renewable Energy Self-Generation Program. The bill would authorize a state agency, as defined, to receive a bill credit to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible state renewable generating facility, as defined. The bill, in the case of an eligible state renewable generating facility interconnected with the facilities of an electrical corporation, would require the CPUC to adopt a rate tariff for the benefiting account. require a state agency, as defined, generating electricity from an electric generation facility that operates under a feed-in tariff adopted pursuant to these requirements, and that is owned by, operated by, or on property under the control of, the state agency, to take the total annual amount of kilowatthours exported to the grid into consideration when determining whether the state agency has achieved the policy goals and objectives established by law or executive order for the state agency.~~

(2) Decisions of the CPUC adopted the California Solar Initiative. Existing law requires the CPUC to undertake certain steps in implementing the California Solar Initiative including the requirement that the CPUC authorize the award of monetary incentives for up to the first megawatt of alternating current generated by solar energy systems, as defined, that meet the eligibility criteria established by the State Energy Resources Conservation and Development Commission (Energy Commission).

This bill would require the CPUC to authorize the award of monetary incentives for up to 5 megawatts of alternating current generated by an eligible state renewable generating facility that meets the eligibility criteria established by the Energy Commission for the California Solar Initiative *solar energy system, as defined*. The bill would require the CPUC to limit any incentives provided for eligible state renewable generating facilities, as specified, to ensure that those facilities do not receive an unreasonable portion of the available incentives under the California Solar Initiative and to ensure that certain goals and purposes of the California Solar Initiative are achieved *solar energy systems to an aggregate of 26 megawatts of alternating current. The bill would prohibit a solar energy system that is an electric generation facility operating under a feed-in tariff and that is owned by, operated by, or on property under the control of, a state agency from being eligible to receive monetary incentives pursuant to the California Solar Initiative.*

~~(3) Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the CPUC is a crime.~~

~~Because certain of the provisions of this bill require action by the CPUC to implement, a violation of these CPUC-imposed requirements would impose a state-mandated local program by creating a new crime.~~

~~(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~*no*.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 399.22 is added to the Public Utilities*
2 *Code, to read:*

3 399.22. (a) *For purposes of this section, “state agency” means*
4 *every state office, officer, agency, department, division, bureau,*
5 *board, and commission or other state body, except those agencies*
6 *provided for in Article IV, except Section 20 thereof, or Article VI*
7 *of the California Constitution.*

8 (b) *A state agency generating electricity from an electric*
9 *generation facility, as defined in Section 387.6 or 399.20, that*
10 *operates under a tariff adopted pursuant to either of those sections,*
11 *and that is owned by, operated by, or on property under the control*
12 *of, the state agency shall take the total annual amount of*
13 *kilowatthours exported to the grid into consideration when*
14 *determining whether the state agency has achieved the policy goals*
15 *and objectives established by law or executive order for the state*
16 *agency.*

17 (c) *A solar energy system that is an electric generation facility*
18 *operating under a tariff adopted pursuant to Section 387.6 or*
19 *399.20, and that is owned by, operated by, or on property under*
20 *the control of, a state agency shall not be eligible to receive*
21 *monetary incentives pursuant to Article 1 (commencing with*
22 *Section 2851) of Chapter 9 of Part 2.*

23 *SEC. 2. Section 2853 is added to the Public Utilities Code, to*
24 *read:*

25 2853. (a) *For purposes of this section, “eligible state solar*
26 *energy system” means a solar energy system that meets all of the*
27 *following requirements:*

28 (1) *Is an eligible renewable energy resource pursuant to Article*
29 *16 (commencing with Section 399.11) of Chapter 2.3 of Part 1.*

30 (2) *Meets the eligibility criteria established by the Energy*
31 *Commission pursuant to Chapter 8.8 (commencing with Section*
32 *25780) of Division 15 of the Public Resources Code.*

33 (3) *Is owned by, operated by, or on property under the control*
34 *of, a state agency. For these purposes, premises that are leased*
35 *by a state agency are under the control of the state agency.*

36 (4) *Is sized to generate electricity for use on the premises and*
37 *the state agency does not sell electricity exported to the electrical*
38 *grid to a third party.*

1 ***(b) In addition to an award of monetary incentives for the first***
2 ***megawatt pursuant to Section 2851, the commission shall authorize***
3 ***the award of monetary incentives for alternating current generated***
4 ***by an eligible state solar energy system above the first megawatt,***
5 ***up to five megawatts of alternating current.***

6 ***(c) The commission shall limit the monetary incentives awarded***
7 ***pursuant to subdivision (b) to an aggregate of 26 megawatts of***
8 ***alternating current.***

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11 **All matter omitted in this version of the bill**
12 **appears in the bill as amended in the**
13 **Assembly, April 27, 2010. (JR11)**
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